1 EAST CHICAGO WATERWAY MANAGEMENT DISTRICT BOARD OF DIRECTORS MEETING 2 3 4 5 Transcript of the meeting of the East Chicago Waterway Management District had on the 15th day of May, 2013, at 5:17 p.m., at the East Chicago City Annex 6 Building, 4444 Railroad Avenue, East Chicago, Indiana. 7 8 9 **APPEARANCES:** 10 11 MR. JOHN FEKETE, Board President 12 MR. HENRY RODRIGUEZ, Board Member 13 MR. MIKE EBERT, Board Member 14 MS. ELLEN GREGORY, Board Attorney 15 MR. FERNANDO TREVINO, Executive Director 16 MR. MIKE NGUYEN, U.S. Army Corps of Engineers 17 MR. DAVID ALONZO, BMO Harris Bank 18 19 20 21 22 TRANSCRIBED BY: Mary L. Slafindor 23 SLAFINDOR COURT REPORTING 24 315 South Court Street Crown Point, IN 46307

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1 MR. FEKETE: I'd like to call the meeting to order of the East Chicago Waterway Management District Board of Directors. The time is 5:18. date is May 15th. 5 We're going to open the meeting by having a roll call. Mike Ebert? 6 7 MR. EBERT: Here. 8 MR. FEKETE: Henry Rodriguez? MR. RODRIGUEZ: 9 Here. 10 MR. FEKETE: John Fekete, present. 11 John Bakota? Ray Lopez? Ernie Jones? Rich Gomez? 12 And as I stated earlier, we do not 13 have a quorum, so we will not be taking any specific action that requires a vote of the board. 14 15 Consulting engineering report, Mr. 16 Trevino. 17 MR. TREVINO: Yes. Start off by going over the contents of your board packet. You have 18 19 the minutes for the April 17th, 2013 board meeting in your packet. 20 21 You have the financials dated April 22 30th, 2013, along with the claim docket dated May 15th, 2013. 23 24 You have a 2013 user fee deposit

summary update, dated May 10th, 2013.

You have a proposal to purchase software, along with training from Keystone dated May 14, 2013.

You have in your packet the Great Lakes Legacy Act application proposal dated May 15th, 2013.

You have in your board packet a letter dated April 19th, 2013 from Clifton Larson Allen to the IRS regarding their claim that we owed over 27,000 and some odd change. So that letter is clarifying that we do not.

You have in your board packet Citizens Bank statements ending in 608 and 616, both dated April 30th, 2013.

You have in your packet the BMO
Harris Bank ECI Facility Trust Report dated May 14th,
2013. And BMO Harris Bank bank statement for account
ending in 761 for the month of April, 2013. And also a
BMO Harris brokerage account statement for account
ending in 534, also for the month of April, 2013. You
have in your packet a BMO Harris Bank letter dated 4-192013 regarding rate information on one of the accounts.

And you have an email from myself to Jennifer Miller of the Army Corps regarding my comments to the culvert redesign plans for the Indiana Harbor. You have in your packet Waterway

Management District Manifest Tracking Summary. And the
additional one that I currently sign on behalf of the

You have the Army Corps monthly report to the board dated May 15th, 2013.

And Attorney Ellen Gregory's report to the board dated May 14th, 2013.

Waterway Management District for manifest ending in 879.

That concludes the items in the board packet. Update on a couple items. User fees, as I mentioned, there's a spreadsheet summarizing the 2013 collections to date in your packet. Ellen has forwarded user fee information requested by the attorney general's office regarding their office assisting us with past due collections. So Ellen and I will be following up on that.

Tim Anderson's office sent out invoices to companies who have not paid the invoices that were sent this year.

Great Lakes Legacy Act application proposal. A revised application is in your packet for consideration. As a quick summary of the plan, it includes the remedial investigation feasibility study and remedial design phases of remediation of the canal portions in East Chicago that are not scheduled for

dredging in the Corps, or cleanup by the EPA or IDEM. The end result of this project would be the remedial design. The phase after that, which is not included in this scope, is the actual remediation or the implementation of remedial design. The estimated schedule for this work is two years, with the total cost for the 3 phases is 2 million dollars. As per the Great Lakes Legacy Act criteria, the local sponsor share is 35 percent, and the balance, or 65 percent, would come from Great Lakes Legacy Act Funding. The 35 percent calculates to 700,000, which can either all come from the Waterway Management District, or other stakeholders that may contribute towards that that may be interested in the project. The Waterway Management District currently has ample funding to support the full 35 percent, or 700,000, if that would be the conclusion.

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As mentioned, the application is on the agenda for approval consideration. Once the board -- or if the board approves, I'll submit the proposal, or application, as necessary and required.

Strategic planning. We submitted the request for proposals for a strategic planning consultant. We received 3 proposals, which I've reviewed. I hope to have a meeting with the executive committee, and hopefully have a recommendation for the

next board meeting.

Tim Anderson and I met with Boyce and Keystone a couple times to review their software capabilities and whether it would be a good fit to manage the finances of the District. A proposal from Keystone is included in your packet for approval consideration.

Army Corps has asked for comments to their drawing and specs for the entrance driveway recommendation project, or reconstruction project. I have reviewed both and submitted comments on behalf of the District. A copy of those comments are in your packet.

The Corps also sent the District drawings and specs for the CDF well point project. They had asked for comments by this Friday. I will review and provide comments, if any, on behalf of the District.

BP has finished their monitoring well installation on the Waterway Management District property known as the J and L site. I'm currently scheduled for a site and work review visit tomorrow with BP's consultant, URS.

The city has shared their conceptual plans for the south tank farm development with BP. We will be working with BP and the city to formalize those

plans, and any affiliated agreements.

Tim Anderson sent a response to the IRS on their claim that the District owed \$27,164. And as I mentioned, a copy of that response letter, which is dated April 19, 2013, is in your packet.

The dredging observation tour was scheduled and now rescheduled. And when Mike Nguyen comes up, we can have that conversation on whether we'll have it on May 22nd or reschedule it when the Waterway Management District can make the dates.

Greg Sukey (phonetics), who is the Department of Justice representative on this project, announced his retirement. A replacement has been appointed, and I believe was on our last biweekly conference call.

Ongoing regular meetings that I've been attending on behalf of the District include the canal oil response meetings, the Corps contractor biweekly dredging project meetings, the BP biweekly meetings. And Mike Nguyen and I thought it would be a good idea for him and I to meet at least once a month to review deliverables and any outstanding issues. Our first meeting was yesterday, and we plan on continuing that practice.

That concludes my report.

1	MR. FEKETE: Any questions for Mr.
2	Trevino?
3	(NO RESPONSE).
4	MR. FEKETE: We'll defer the
5	consideration for the April board meeting minutes until
6	our June meeting.
7	User fee update.
8	MR. TREVINO: Just as mentioned
9	before, you have in your board packet, an updated
10	spreadsheet showing the user fees paid to date. And I
11	think in my report to the board, I summarized all the
12	other items going on regarding the user fees.
13	MR. FEKETE: Any questions on the
14	user fee spreadsheet?
15	(NO RESPONSE).
16	MR. FEKETE: Accounting consultant
17	report. We had talked with Mr. Anderson earlier, and
18	since we cannot take any official action on it, I will
19	just basically summarize what we have in our board
20	packet.
21	Our statement of cash receipts and
22	cash disbursements. We have receipts of \$691,999.61.
23	We have disbursements of \$87,676.61, giving us an
24	increase in cash of \$604,323. We now have a cash

25 balance of \$1,853,526.23.

With regard to the balance in our budget. Cash disbursements through the end of April were, as mentioned, \$87,676.61, giving us an available budget of \$363,700.55. Any questions on this account?

(NO RESPONSE).

MR. FEKETE: The next item is the Waterway District Accounts payable voucher register. The total is \$20,943.50. We will be holding a special public board meeting to approve the accounts payable voucher, and any other items that need immediate action. And that will be coming shortly, as soon as we get the appropriate notices made.

Mr. Trevino talked about the Boyce accounting management software proposal purchase. We'll hold off on any action on that until our next regular meeting.

The Great Lakes Legacy Act application, just to let everybody know, that we have discussed from time to time on dealing with the remainder of the Indiana Harbor ship canal within the boundaries of East Chicago. As most everyone knows, there has been a great deal of work done on the Grand Calumet River coming from Hohman Avenue, coming westward. And most recently, the last project that was completed included the Roxana Marsh, and work had been

completed up to Indianapolis Boulevard. There will be additional work that will be done by the State and USEPA going further eastward from that particular point. It's our intention to make an application for funding to do some work to actually assess what needs to be done within the remainder of the Indiana Harbor ship canal, outside of the boundaries of the dredging project.

So what we have before us is an application, and we will have further discussion on that at our next board meeting. We do have copies available, if anybody's interested.

At this point in time, Mr. Alonzo.

MR. ALONZO: David Alonzo with BMO
Harris Bank. Going to run through our trust report
that's in your packet. The first page again just goes
through our charts and historical values of this account
since 1997.

Page 2, the value of the trust account as of May 14th was \$6,138,669. There was a positive gain of \$6,804 from our last meeting. Year to date distributions on the trust account were \$236,975.

Going to the third page, this really just gives us a breakdown of the holdings we have.

There's \$553,473 in the money market account right now.

That's pretty much the balances we are trying to

maintain in there at all times, over a half a million. And the newer CD that we have is the middle of the page, the 1-year CD that ends in 858. The value is \$1,505,937. The interest rate is .4 percent, and that will mature next April.

One thing, we do have another CD coming due this year in October, so we probably want to have some consideration in the September meeting. So if the finance committee meets around that time with some recommendations on what's available at that time.

Interest rates are still pretty bad. If you look at treasuries right now, 1-year treasury is at .11. 2-year is at .25. And then the 3-year is at .39. 1-year CDs are still paying about .35 percent. So we did give a little bit of an increase on that one CD that we just renewed; we're keeping it at .4 percent. But beyond that, CDs are still where we're looking at reinvesting.

MR. FEKETE: Thank you. Any questions?

(NO RESPONSE).

MR. FEKETE: Thank you again. Mr.

23 Nguyen.

MR. NGUYEN: Mike Nguyen with the Army Corps of Engineers, here to give the monthly

briefing.

For the groundwater gradient control, we're still doing ongoing testing and repairs to the groundwater gradient system.

The facility and dredging operation contract. Dredging operations were suspended on 13

April due to the Dickey Road closure. Dredging resume back on April 29th after the Dickey bridge reopened.

And currently dredging is ongoing.

For the retrofit project, we submitted the main entrance ramp and the additional extraction well design to ECWMD. And we're currently developing the scope of work for the stabilizer and the parkway improvements.

For the permits, the Corps is still gathering information for submission of the TSCA permits.

And for the oil boom, BP has removed the oil boom across the canal at Indianapolis Boulevard on 27 April, just before dredging resumed. And they'll reinstall it after dredging stops.

For the PCA, we're still working with a new attorney to try and get the agreement back to solid. And we're still working with the work in-kind document issue.

That's all I have for my report.

MR. FEKETE: I noticed one item on your report talked about work that's being done on the groundwater gradient system.

MR. NGUYEN: It's just more that there's pumps, extraction well pumps that we installed to pull water out before we would treat it and discharge it to the canal. Actually now, we're discharging it into the CDF to allow our dredging operation to recirculate the water. So we can't really dredge the sediment. It's probably 50 percent water to solid, and in order to hydraulically place it, to pump it into the CDF, we probably need a 5 to 1 ratio of water to solid. So basically 5 parts water, 1 part solid to slurry it back. So that's where we're pulling water from.

But the gradient control system is just a tweaking system to make sure that we establish the inward gradients. And if the pump malfunctions, we replace it or anything else. That's what we're doing.

MR. FEKETE: So other than that,
everything else is working okay?

MR. NGUYEN: I mean, there's times where pumps do fail and we address those, we replace it. At this point, because of the dredging operation, there's a large influx of water into the CDF. And what

the pump right now is actually constantly running to try to catch up with that influx of water. And so right now, we're slowly -- we're regaining the inward gradient. And so everything should be smooth sailing, because right now we're close to sealing the bottom of the east cell, possibly about 200,000 cubic yards in the east cell. Now we're transferring the operation to dispose of it in the west cell.

MR. FEKETE: Just to highlight my
comment, is that's a critical part of this whole
operation.

MR. NGUYEN: Yes.

MR. FEKETE: Historically, we've had a lot of discussions about the CDF, and it was always one of the strong features of the CDF.

MR. NGUYEN: Right.

MR. FEKETE: So when I hear words about working on the groundwater gradient system, I really like my comfort level raised just a little bit better.

MR. NGUYEN: And we've discussed this before, that the gradient control is a redundant system. The main level of detection is the bentonite slurry wall around the CDF. And that's an impermeable material where we're containing all of the --

1	MR. FEKETE: I understand that. I
2	don't want to hear something with a pump failure or
3	something like that.
4	MR. NGUYEN: It's real time
5	monitoring the well. So when a pump isn't functioning
6	right, we identify it, we address it. This is an
7	ongoing effort. Obviously, we're always doing this, so
8	I could basically remove this item.
9	MR. FEKETE: Just for future
10	reference, any time there's an issue, just make sure
11	that we know about it.
12	MR. NGUYEN: Sure.
13	MR. FEKETE: Thank you. Any other
14	questions?
15	MR. EBERT: I have a question
16	regarding the green fabric on the fence along
17	Indianapolis Boulevard.
18	MR. NGUYEN: Yes.
19	MR. EBERT: And whether the
20	intention is to maintain that, or it strikes me that
21	most of the wall is pretty green right now.
22	MR. NGUYEN: Yes.
23	MR. EBERT: And by removing the
24	green fabric, it might actually look better and be less

25 maintenance.

MR. NGUYEN: And I agree with that.

And the Corps is always in that position where we would like to reduce our maintenance cost. And we've asked ECWMD before if you would allow us to remove that. I know we placed that fabric during the construction of the exterior dikes, where trucks were coming in with clay material to construct the dikes. Now basically we're dredging and there's a lot less disturbance to the site.

MR. TREVINO: And just to add to that, Mike, the reason only a section was taken out was there was -- the thought was if it was going to be completely removed, it was going to be phased out. To take out a section to see if there was ay community response to say, or complaints. And I haven't heard any, and the last I -- when we met yesterday, Mike was hoping to take out the section further north. Or if the board says go ahead and take the whole thing down, or do we want to continue the phased approach.

MR. EBERT: If I can make a suggestion, when we go on the site visit, that be one of the topics we consider and we can make a decision when we look at it.

MR. NGUYEN: I agree with that.

Actually, I was talking to Fernando yesterday, and my

intent for the site visit was more of a meet and greet with our upper management too. So it's an opportunity for the board to meet with the Colonel, our deputy of project management and chief of operations. 5 Is that scheduled? MR. FEKETE: 6 MR. NGUYEN: We're scheduled for the 22nd. And right now, I was asking Fernando if there is enough interest or availability, if there's enough board members available on the 22nd to still hold it on the 22nd. 10 11 MR. TREVINO: The other part, the 12 intent was to be able to network with the Colonel and 13 upper management. But it sounds like because the Army Corps folks will be boarding on the CDF side, and the 14 Waterway Management District would be boarding at the 15 16 East Chicago marina, it's less likely. 17 MR. NGUYEN: I think before the site visit, I think you could probably go ahead of us, go see 18 19 the dredging operation, and then meet back at our CDF, after we concluded our site visit. And at that point, 20 21 we could probably continue on with the discussion. 22 MR. TREVINO: How does May 22nd 23 look?

MR. TREVINO:

I can't make May 22nd.

I know you were one of

MR. EBERT:

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the ones. 2 MR. EBERT: Go ahead without me. the 22nd works, go ahead without me. MR. TREVINO: I'll check with other 4 board members and I'll get back with you by tomorrow. Is that fine? 7 MR. NGUYEN: Sure, that's fine. 8 MR. FEKETE: Thank you, Mike. Board Attorney Ellen Gregory report. 10 MS. GREGORY: Ellen Gregory with 11 Ellen Gregory Law. I don't have a whole lot to add to what Mike had said. We continue to try and get the 12 13 revisions to the PCA, I guess maybe the new attorney is working on. And in addition to try to move forward on 14 the credits under the PCA. 15 16 And then just one other legal issue that has arisen with the Corps on manifesting waste from 17 18 the site. And Fernando and I have been dealing with 19 Mike and Kim Sabo on that issue, and we'll continue to work through that, hopefully within the next month or 20 so. And that's all I have. 21 22 MR. FEKETE: Very good, thank you. 23 Any new business to come before the board?

MR. FEKETE: Any other business?

(NO RESPONSE).

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1	(NO RESPONSE).
2	MR. FEKETE: Any public comment?
3	(NO RESPONSE).
4	MR. FEKETE: Our next board meeting
5	is scheduled for June 19th, 5:00 p.m., in this building.
6	Do I have a motion to adjourn?
7	MR. TREVINO: Can I just say, I just
8	wanted to clarify that our next regular board meeting is
9	June 19th.
10	MR. FEKETE: Right.
11	MR. TREVINO: But we're going to try
12	to schedule a special meeting between now and then to
13	address the action items.
14	MR. FEKETE: I had mentioned that
15	earlier, and thank you again for repeating it.
16	Since we don't have a quorum, we
17	can't adjourn. We have to stay here forever. I declare
18	this meeting closed.
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3	COUNTY OF EARLY
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5	REPORTER'S CERTIFICATE
6	
7	I, MARY L. SLAFINDOR, Court Reporter and Notary Public in and for the State of Indiana, do hereby certify that I have transcribed from my stenographic
8	notes the above-entitled meeting of the East Chicago Waterway Management District Board of Directors Meeting.
9	Said notes contain all of the statements made during the meeting, to the best of my ability.
LO	I further certify that the foregoing transcript, as
L1 L2	prepared by me, is a full, true, correct and complete copy of said stenographic notes made in the above-entitled meeting.
L3	IN WITNESS WHEREOF, I have set my hand this 10th
L 4	day of June, 2013.
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L 6	MARY L. SLAFINDOR, Court Reporter
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